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High-level international intergovernmental consideration of financing for development

Draft resolution submitted by the Chairman of the Committee, Mr. Marco Antonio Suazo (Honduras), on the basis of informal consultations held on draft resolution A/C.2/57/L.36

High-level international intergovernmental consideration of financing for development

The General Assembly,

Recalling its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[1] which was adopted on 22 March 2002,

Welcoming the initiatives and efforts of relevant actors in the financing for development process from the public and private sectors, as well as from civil society, to stay fully engaged, nationally, regionally and internationally, to ensure proper follow-up to the implementation of agreements and commitments reached at the Conference, and to continue to build bridges between development, finance and trade organizations and initiatives, within the framework of the holistic agenda of the Conference,

Recognizing the link between financing for development and attaining internationally agreed development goals and objectives, including those contained in the United Nations Millennium Declaration,[2] in measuring development progress and in helping to guide development priorities, as well as sustained economic growth and sustainable development,

Emphasizing that the international financial system should support sustainable development, sustained economic growth and poverty eradication and allow for the mobilization, in a coherent manner, of all sources of financing for development,

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[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7).

[2] Resolution 55/2.

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including the mobilization of domestic resources, international flows, trade, official development assistance and external debt relief,

Taking note of the communiqués of the Development Committee of the World Bank dated April and September 2002, as well as the communiqué of the International Monetary and Financial Committee dated 28 September 2002,

1. *Underscores its firm commitment* to the full and effective implementation of the Monterrey Consensus[1] and, in that regard, to promoting a holistic approach to the interconnected national, international and systemic challenges of financing for development, in active partnership with the Bretton Woods institutions, the World Trade Organization and other relevant institutional stakeholders, civil society and the private sector, including through collective and coherent action in every area of the Consensus;

2. *Reiterates* that success in meeting the objectives of development and poverty eradication depends, inter alia, on good governance within each country and at the international level. Sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation. Transparency in the financial, monetary and trading systems and the commitment to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system are equally essential;

3. *Expresses concern* about the difficulties of the present world economic situation and stresses the importance of confronting it through strong cooperative efforts by all countries and institutions; underlines the importance of continued efforts to improve global economic governance and strengthen the United Nations leadership role in promoting development;

4. *Calls* for the integrated consideration of trade, finance, investment, technology transfer and development issues and, to this end, re-emphasizes the urgency of coherent action by the United Nations, the Bretton Woods institutions and the World Trade Organization, as appropriate, along with the action of Governments, to promote equitable and broad sharing in the benefits of globalization, taking into account the specific vulnerabilities, concerns and needs of developing countries;

5. *Recognizes* that an enabling domestic environment is vital for mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector and attracting and making effective use of international investment and assistance. Efforts to create such an environment should be supported by the international community;

6. *Encourages* all Governments to combat corruption, bribery, money-laundering, the transfer of the illicitly acquired funds and assets and to work for the return of such funds and assets to the countries of origin, and welcomes actions taken in this regard at national and international levels;

7. *Stresses* the need for structural reforms to strengthen corporate governance, accounting and auditing, in particular when inadequate policies can have systemic consequences;

8. *Stresses* the importance of strong domestic institutions to promote business activities and financial stability for the achievement of growth and

development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the corporate, financial and banking sectors;

9. *Considers* that, in the context of the current world economic situation, the multilateral trading system should be reinforced by achieving a balanced outcome of the Doha negotiations, which responds to the interests of all the members of the World Trade Organization, in particular the developing countries, and by giving concrete shape to the development-related provisions of the work programme of the World Trade Organization, and by working to ensure that the concerns of developing countries, in particular in terms of implementation issues and special and differential treatment, are properly and effectively addressed in accordance with the Doha Ministerial Declaration,[3] as amended by action of the General Council of the World Trade Organization;

10. *Recognizes* that trade rules and issues in the post-Doha framework should have a clear development content;

11. *Expresses concern* about the adoption of a number of unilateral actions which are not consistent with World Trade Organization rules, that harm the exports of all countries, in particular those of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

12. *Welcomes* the commitments announced at the International Conference on Financing for Development to increase the levels and effectiveness of official development assistance, looks forward to the early availability of the resources committed in keeping with the announced time frames, urges developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national product as official development assistance to developing countries and 0.15 per cent to 0.20 per cent of gross national product to least developed countries, and encourages developing countries to build on progress achieved in ensuring that official development assistance is used effectively to help achieve development goals and targets;

13. *Reaffirms* the determination, as expressed in the United Nations Millennium Declaration,[2] to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term;

14. *Reaffirms also* that reviews of debt sustainability should also bear in mind the impact of debt relief on progress made towards the achievement of the development goals contained in the Millennium Declaration and that debt sustainability analysis at the completion point needs to take into account any worsening global growth prospects and declining terms of trade; in addition, efforts to strengthen the transparency and integrity of debt sustainability analysis should continue;

15. *Stresses*, in the consideration of any new debt resolution mechanism, the importance of a broad discussion in the appropriate forums, with the participation of all interested actors, welcomes the steps taken by the international financial

[3] See A/C.2/56/7, annex.

institutions to take into account social aspects and the borrowing costs for developing countries, encourages them to continue their efforts in that regard and reiterates that the adoption of such a mechanism should not preclude emergency financing in times of crisis;

16. *Stresses* the special importance of creating an enabling international economic environment through strong cooperative efforts by all countries and institutions to promote equitable economic development in a world economy that benefits all people and, in this context, invites developed countries, in particular major industrialized countries, which have significant weight in influencing world economic growth, when formulating their macroeconomic policies, to take into account their effects in terms of the external economic environment favourable to growth and development;

17. *Notes* the impact of financial crisis or risk of contagion in developing countries and countries with economies in transition, regardless of their size, and in this regard underlines the need to ensure that the international financial institutions, including the International Monetary Fund, have a suitable array of financial facilities and resources to respond in a timely and appropriate way, in accordance with their policies;

18. *Takes note* of the communiqué of the Development Committee dated 28 September 2002, in particular paragraph 10, on the need to identify pragmatic and innovative ways further to enhance the participation of developing countries and countries with economies in transition in international decision-making and norm-setting, and encourages all relevant international financial institutions to take concrete measures towards this end;

19. *Invites* the International Monetary Fund to continue its work on quotas and welcomes the continuing consideration by the Fund of its quota review and the reiteration by the International Monetary and Financial Committee that the International Monetary Fund should have adequate resources to fulfil its financial responsibilities and that quotas should reflect developments in the international economy;

20. *Requests* the Secretary-General, in collaboration with the secretariats of relevant institutional stakeholders, fully utilizing the mechanisms of the United Nations System Chief Executives Board for Coordination, with the effective support of the United Nations Secretariat, and building on the successful experience in the preparations for the International Conference on Financing for Development, to prepare a comprehensive report on the implementation and follow-up to commitments and agreements made at the Conference, focusing on progress achieved in all areas covered by the Monterrey Consensus;

21. *Decides* that the preparatory work and reports of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization, as well as the preparatory process of the General Assembly high-level dialogue, should serve as inputs in the preparation of the comprehensive report, which would be presented on an annual basis to the General Assembly, under the agenda item on follow-up to the International Conference on Financing for Development, as well as to the biennial high-level dialogue of the General Assembly;

22. *Stresses* the importance of making progress on all fronts and enhancing the coherence and synergies of all development efforts and, in the spirit of the strategic partnership launched at Monterrey, requests the President of the General Assembly to bring the present resolution to the attention of the Board of Executive Directors of the World Bank and the Executive Board of the International Monetary Fund, before the spring meeting of the International Monetary and Financial Committee and the Development Committee, as well as to the World Trade Organization General Council, as an input to the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization to be held in April 2003 and the subsequent high-level dialogue of the General Assembly on financing for development to be held in the second half of 2003.